

**POOLED MONEY INVESTMENT BOARD**  
**915 Capitol Mall, Room 110**  
**Sacramento, CA 95814**

**MINUTES**

Wednesday, August 18, 2004

The meeting was called to order at 10:05 a.m.

Roll:                    Francisco Lujano for State Treasurer Philip Angelides  
                             Cindy Aronberg for State Controller Steve Westly  
                             Michael Genest for Director of Finance Donna Arduin

Staff Present:        Mark Paul, Executive Secretary, PMIB  
                             Doug Spittler, State Treasurer's Office  
                             Gina Greer, Attorney General's Office  
                             Linda McAtee, State Treasurer's Office

**APPROVAL OF MINUTES**

The Minutes for the meeting of July 21, 2004, were approved as submitted, 3-0.

**APPROVAL OF PMIB DESIGNATION NO. 1662**

Mr. Doug Spittler of the State Treasurer's Office presented the portfolio Summary Report as of August 17, 2004. On that day, the portfolio stood at \$50.392 billion. The effective yield was 1.658%, the quarter-to-date yield was 1.620% and the year-to-date yield was 1.620%. The average life of the portfolio was 192 days and AB 55 Loans approved stood at \$4.620 billion with \$951.7 million having been disbursed. The Local Agency Investment Fund had deposits totaling \$20.607 billion with 2,734 participants.

Mr. Steve Muraki, of the Cash Management Division of the State Treasurer's Office, presented a summary of the Forecast of Changes in portfolio for the Pooled Money Investment Account for the period August 16, 2004, through October 22, 2004. He stated that over the ten-week period there would be an increase in the portfolio of about \$11.265 billion due to receipts exceeding disbursements. Mr. Muraki continued by highlighting several of the key receipts. The Sales, Liquor, and Utility Surcharge were expected to total \$6.909 billion and Motor Vehicle Fuel Taxes were anticipated to total \$628.6 million. Personal Income and Bank & Corporation Taxes were expected to total \$9.381 billion, while proceeds from the Sale of State Bonds were expected to total \$1.5 billion. Proceeds from the sale of Revenue Anticipation Notes (RANS) were anticipated at \$5.0 billion. Mr. Muraki concluded by stating that \$40.199 billion was expected in revenue over the ten-week period.

Mr. John Korach of the State Controller's Office presented the Estimated Pooled Money Disbursements for the forecast period and highlighted several of the major disbursements. Public Schools and Community College expenses were anticipated to be \$2.365 billion on August 27 and \$1.756 billion on September 28, 2004. Social Services had two major disbursements scheduled. The first was expected to go out on August 31 for \$722 million and the second on September 30, 2004, for \$871 million. Mr. Korach noted there would be two payments made for the Realignment Apportionment. The first one was scheduled for August 27 for \$300 million and the second one on September 27 for \$310 million. The Payroll Revolving Fund was expected to disburse \$1.156 billion on September 1 and about \$1.151 billion on October 1, 2004. Mr. Korach concluded by stating that approximately \$28.411 billion would be disbursed over the ten-week period.

Mr. Genest from the Department of Finance then addressed the Chair. He noted that due to the late budget they had not finalized their discussion on cash flow so the RAN number might change as their discussion is finalized.

Designation No.1662 was approved, 3-0.

#### **APPROVAL OF SURPLUS MONEY DECLARATIONS/REDUCTIONS**

Mr. Doug Spittler presented the changes in the Surplus Money Investment Fund for the period July 1, 2004, through July 31, 2004. During that month \$6.137 billion was declared surplus in various special funds, while \$7.936 billion was declared to be a reduction in surplus.

The Surplus Money Declaration/Reduction for the month of July 2004 was approved, 3-0.

#### **APPROVAL OF SURPLUS MONEY INVESTMENT FUND REQUESTS**

Mr. Spittler said there were no SMIF requests for this month.

#### **APPROVAL OF AB 55 LOANS**

Mr. Chris Kooyman of the Public Finance Division of the State Treasurer's Office presented eleven loan requests as shown in the following table. He said loans a. through f. were for general obligation bond programs and loans g. through k. were for lease revenue bond programs. He also noted that all the loans were renewals and that there were no new loans to be presented.

<b>Loan Number</b>	<b>Type</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
045028	GO/Renewal	Resources Agency Safe Drinking Water, Clean Water, Watershed Protection and Flood Protection Bond Act of 2000	\$6,739,479.00
045029	GO/Renewal	State Water Resources Control Board Safe, Clean, Reliable Water Supply Bond Act of 1996	\$24,062,925.46

### **APPROVAL OF AB 55 LOANS (Continued)**

<b>Loan Number</b>	<b>Type</b>	<b>Department/Program</b>	<b>Adjusted Loan Amount</b>
045030	GO/Renewal	Department of Corrections New Prison Construction Bond Act of 1990	\$841,000.00
045031	GO/Renewal	University of California Class Size Reduction K-U Public Education Facilities Bond Act of 1998 (Hi-Ed)	\$42,654,732.33
045032	GO/Renewal	University of California Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$132,555,000.00
045033	GO/Renewal	California Community Colleges Public Education Facilities Bond Act of 2002 (Hi-Ed)	\$84,048,035.55
045034	REV/Renewal	California State University SPWB Lease Revenue Bonds San Francisco Campus – Joint Library: J. Paul Leonard Library and Sutro Library	\$5,295,000.00
045035	REV/Renewal	Department of Justice SPWB Lease Revenue Bonds Redding Replacement Laboratory	\$4,170,708.00
045036	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Buckhorn Forest Fire Station: Replace Apparatus Building	\$1,624,000.00
045037	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Twain Harte Forest Fire Station: Relocate Facility	\$533,400.00
045038	REV/Renewal	Department of Forestry & Fire Protection SPWB Lease Revenue Bonds Sweetwater Forest Fire Station: Relocate Facility	\$406,500.00

Mr. Kooyman indicated that the impact on the Pool would be an increase of \$257.1 million. All loans were recommended for approval as presented with the exception of loans e. and f., which were recommended for approval contingent upon Finance Committee approval.

All eleven loan requests were approved as recommended by staff, 3-0.

### **PUBLIC COMMENT**

None.

In the absence of further business, the meeting was adjourned at 10:16 a.m.

Respectfully submitted,

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Mark Paul  
Executive Secretary